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# County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

January 12, 2011

To: Mayor Michael D. Antonovich  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

From: William T Fujioka  
Chief Executive Officer

Board of Supervisors  
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First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

## DEPARTMENT OF CHILDREN AND FAMILY SERVICES TABLET COMPUTERS (ITEM NO. 3, AGENDA OF JANUARY 4, 2011)

On January 4, 2011, your Board, based on a question from Supervisor Knabe, requested a report on the utilization of the approximately 2,400 tablet computers that were deployed to the Department of Children and Family Services (DCFS) social workers and staff. As discussed at the Board meeting, DCFS is transitioning the management of its desktop computing environment to the Internal Services Department (ISD). To date, ISD has migrated 17 DCFS sites to ISD management, with the completion of all DCFS facilities expected by March 2011.

This memo provides a status of currently available utilization data for the approximately 2,400 tablet computers.

### Background

Tablets are laptop-type personal computing devices that can be used by social workers who are engaged in fieldwork or as desktop personal computers in the office. The DCFS tablets are equipped with Computrace Absolute Software, a product similar in concept to the "LoJack" automobile anti-theft device. This software logs tablet usage whenever the machines connect with the Internet, regardless of whether the device is using the County ISD network or externally. Although the information is limited, reports can be generated to identify this usage and/or any tablets that are not in use.

### Current Tablet Utilization Status

On January 4, 2011, ISD accessed the Computrace Absolute Software to identify recent usage of the 2,402 tablet computers. This software identified the following usage:

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Tablets detected in use since November 1, 2010	2,123
Tablets not detected in use since November 1, 2010	274
Tablets reported stolen since July 2007	5
<b>Total</b>	<b>2,402</b>

Various factors may contribute to the number of tablets that were not detected as being in recent use. For example, tablets may be assigned to training classrooms, deployed in cubicles for field staff that come to work in the office, temporarily unassigned, etc. In addition, the motherboard in some tablets has been replaced, which may have excluded some active units from the total reported in use count.

As the migration project proceeds, ISD and DCFS will reconcile the inventory list of DCFS tablets, and redeploy devices as needed to ensure maximum utilization.

#### **Utilization of Other DCFS Computing Assets**

To date, ISD has migrated 4,621 (64%) of DCFS total computer users to the ISD email and desktop environment. This includes 1,470 tablets, 3,035 thin client devices, and 116 standard personal computers. By March 2011, the remaining DCFS computer users will have migrated to ISD's desktop environment.

When this project is complete, all DCFS computing devices (tablets, personal computers, and thin client devices) will be logged into the County ISD network. Using this data, ISD will be able to provide reports to DCFS leadership to identify the frequency of use of all assigned computer assets.

If you have any questions, please have your staff contact Deputy Chief Executive Officer, Ellen Sandt at (213) 974-1186 or Tom Tindall, Director of ISD at (323) 267-2101.

WTF:EFS:cg

c: Executive Office, Board of Supervisors  
County Counsel  
Children and Family Services  
Internal Services



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WILLIAM T FUJIOKA  
Chief Executive Officer

February 4, 2011

To: Mayor Michael D. Antonovich  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

From: William T Fujioka  
Chief Executive Officer

A handwritten signature in black ink, appearing to be "W. T. Fujioka", is written over the printed name and title.

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Fifth District

## **CELLULAR PHONE USAGE - STATUS REPORT (ITEM NO. 3, AGENDA OF JANUARY 4, 2011)**

On January 4, 2011, on motion by Mayor Antonovich and Supervisor Molina, your Board directed the Chief Executive Officer (CEO), Auditor-Controller (A-C) and the Director of the Internal Services, to:

1. Ensure that the Department of Children and Family Services (DCFS) immediately implements the seven recommendations contained in the A-C's DCFS' Cellular Phone Audit report (Report) dated December 21, 2010; and report back to the Board within 30 days on the DCFS' progress in implementing each recommendation;
2. Direct each Department Head to conduct an internal review of controls over their department's County cellular telephones and data cards; identify any issues similar to those noted in the Report; and report back to the CEO within 30 days with the results of those reviews;
3. Direct each Department Head to review and immediately implement, as applicable, the findings and recommendations contained in the Report;
4. Develop and implement a uniform Countywide policy for adherence by all County departments to ensure that proper controls are in place for the issuance and use of County cellular phones and data cards; and consult with the Internal Services Department (ISD) on innovations to be included in Countywide policy, such as pooling minutes or data access for all departmental users to reduce call charges;

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5. Coordinate a follow-up audit by the A-C of a sample of departments to verify that they have implemented and are complying with internal controls and policies on the issuance and use of County cellular telephones and data cards; and comprehensively report back within 12 months on the results of the follow-up audit; and
6. Direct the CEO and ISD to report back on whether 2400 tablet devices are being utilized by DCFS staff.

Based on collaboration with the departments listed above, this memorandum provides a response and status report on this Board Order and related efforts regarding cell phones.

#### **DCFS' Progress in Implementing A-C's Recommendations**

A detailed report on DCFS' progress in implementing each recommendation in the Report was sent to the A-C on January 28, 2011. A copy of that report will be forwarded to your Board by the A-C.

#### **Departmental Review of Cell Phones and Data Cards and Implementation of Report's Recommendations**

On December 21, 2010, subsequent to the release of Report, this Office instructed departments to examine the Report closely and ensure that their operations are fully compliant with all applicable policies and procedures, and that effective controls are in place regarding cell phone and data card usage.

Additionally, in response to the Board Order referenced above, this Office instructed departments on January 6, 2011 to submit correspondence by February 4, 2011 with (1) the results of their internal audit of cell phone and data card use, focusing on those items noted in the Report; and (2) those recommendations in the Report relevant for implementation in their department, and the timeframe for such implementation.

Once responses are received from departments, this Office will report back to your Board the findings of the departmental audits, weaknesses identified, and implementation plans for corrective actions.

### **Development of Countywide Policy for Issuance and Use of Cell Phones and Data Cards**

Section 4.7 of the County Fiscal Manual (Manual) outlines the procurement, selection, issuance, proper usage, inventory, bills review, documentation, and other management monitoring responsibilities of cell phones. It also establishes the procedure for employees to reimburse the County for personal use of County cell phones. Utilizing the departmental self-audit reports, this Office will work with A-C and ISD to determine how best to enhance proper controls of cell phones and data cards, which may include modification of the Manual, recommendation of a new Board policy, or a combination of both.

In addition, ISD will engage a consultant to solicit best practice ideas and other innovative ways to control cell phone costs. ISD will also meet with cell phone carriers to explore options for better cost reporting and improved pricing plans.

This Office, in coordination with A-C and ISD, will provide another progress update by early March, and subsequently submit a draft Board policy on cell phones to the Audit Committee, if appropriate.

### **DCFS Tablet Utilization**

The utilization of DCFS tablet devices was reported to your Board by this Office in a separate memo dated January 12, 2011.

### **Other Activities**

As part of the County's Efficiency Initiatives, this Office initiated a study in November 2010, to determine the feasibility of issuing stipends in exchange for the usage of employees' personal cell phone to conduct County business. A stipend program has the potential of reducing the County's overall cell phone costs, while also reducing overage charges and potential abuse. As part of this study, the Chief Information Office is surveying departments and has requested that they submit by February 3 their existing cell plans, number of units, carrier selection, costs, and issuance criteria for cell phones, pagers, data cards, mobile hotspots, and other carrier-based mobile devices. The results of the survey will also assist the analysis of other options.

On January 11, 2011, Governor Brown issued an executive order, directing all State agencies to reduce by 50 percent, the number of government-paid cell phones by June 1, 2011. Governor Brown indicated that 96,000, or 40 percent of State employees currently have government-paid cell phones, and cutting the number by half will save at

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least \$20 million a year. This Office, pending the results of the departmental surveys, will assess whether same or similar action may be appropriate for the County, and develop related recommendation as appropriate.

Please let me know if you have any questions, or your staff may contact Martin Zimmerman at 213.974.1326, or [mzimmerman@ceo.lacounty.gov](mailto:mzimmerman@ceo.lacounty.gov).

WTF:ES:MKZ  
FC:JH:ib

c:     Executive Office, Board of Supervisors  
        Auditor-Controller  
        County Counsel  
        Chief Information Office  
        Internal Services Department



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WILLIAM T FUJIOKA  
Chief Executive Officer

March 10, 2010

To: Mayor Michael D. Antonovich  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

From: William T Fujioka  
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

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Fifth District

## **COUNTY CELL PHONE USAGE - STATUS REPORT NO. 2 (ITEM NO. 3, AGENDA OF JANUARY 4, 2011)**

On January 4, 2011, on motion by Mayor Antonovich and Supervisor Molina, your Board directed the Chief Executive Officer (CEO), Auditor-Controller (A-C) and the Director of the Internal Services, to:

1. Ensure that the Department of Children and Family Services (DCFS) immediately implements the seven recommendations contained in the A-C's DCFS' Cellular Phone Audit report (Report) dated December 21, 2010; and report back to the Board within 30 days on the DCFS' progress in implementing each recommendation;
2. Direct each Department Head to conduct an internal review of controls over their department's County cellular telephones and data cards; identify any issues similar to those noted in the Report; and report back to the CEO within 30 days with the results of those reviews;
3. Direct each Department Head to review and immediately implement, as applicable, the findings and recommendations contained in the Report;
4. Develop and implement a uniform Countywide policy for adherence by all County departments to ensure that proper controls are in place for the issuance and use of County cellular phones and data cards; and consult with the Internal Services Department (ISD) on innovations to be included in Countywide policy, such as pooling minutes or data access for all departmental users to reduce call charges;

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5. Coordinate a follow-up audit by the A-C of a sample of departments to verify that they have implemented and are complying with internal controls and policies on the issuance and use of County cellular telephones and data cards; and comprehensively report back within 12 months on the results of the follow-up audit; and
6. Direct the CEO and ISD to report back on whether 2,400 tablet devices are being utilized by DCFS staff.

On February 4, 2011, this Office provided a status report indicating that we had surveyed departments regarding the results of their departmental cellular phone audits and would return with information as to findings from the departmental audits including any weaknesses identified, and implementation plans for corrective actions. We also indicated we would report back on the following:

- Recommendations for efficiencies and/or best practices;
- The possibility of providing a monthly cell phone stipend in lieu of a County- issued cell phone;
- An analysis of the feasibility of significantly reducing the number of cell phones issued by the County, similar to the recent Executive Order issued by Governor Brown; and
- A draft countywide Cell Phone Policy which we would initially submit for Audit Committee consideration.

As to the departmental cellular phone audits conducted in response to the A-C audit of DCFS, in general, most departments have adequate internal controls regarding cellular phone and data card usage. Specifically, our survey found the following results from 37 departmental surveys:

- Twenty-two departments have a detailed cellular phone policy;
- Eight departments plan to implement a new Policy or enhance their existing policy based on the recommendations of the DCFS audit;
- Four departments specifically follow the cellular phone policy guidelines of the County Fiscal Manual; and
- Three departments do not have County-provided cell phones.

Departments did identify several areas addressed in the A-C's audit of DCFS that were not consistently being applied in their department, including the following:

- Cell phone and data card inventories were not consistently reconciled;

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- Delays in cancelling lost or stolen phones;
- Inconsistent review of cell phone plans to ensure appropriate service level and add-on features;
- Inconsistent analysis of phone bills to ensure personal use was reimbursed by employees; and
- Continued payment of service fees on unused or minimally used cell phones and data cards.

While most departments have a formal policy or follow the cell phone policy section in the County Fiscal Manual, there are inconsistencies and differing departmental standards. Departments that did identify deficiencies are now working on or have completed corrective action plans. We believe the most comprehensive solution is to develop the consistent, countywide policy identified in your Board's January 4, 2011 directive.

Our final report will recommend efficiencies and/or best practices, an analysis of providing cell phone stipends, a recommendation for a countywide reduction of the number of devices provided, and a draft Board Policy entitled "Cell Phone and Data Card Usage," which will then be presented to the Audit Committee for their review.

Please let me know if you have any questions, or your staff may contact Martin Zimmerman at 213.974.1326, or [mzimmerman@ceo.lacounty.gov](mailto:mzimmerman@ceo.lacounty.gov).

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WILLIAM T FUJIOKA  
Chief Executive Officer

June 1, 2011

To: Mayor Michael D. Antonovich  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe

From: William T Fujioka  
Chief Executive Officer

A handwritten signature in black ink, reading "William T. Fujioka by ETS".

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Fifth District

## **COUNTY CELL PHONE USAGE - STATUS REPORT NO. 3 (ITEM NO. 3, AGENDA OF JANUARY 4, 2011)**

On January 4, 2011, on motion by Mayor Antonovich and Supervisor Molina, your Board directed the Chief Executive Officer (CEO), Auditor-Controller (A-C) and the Director of the Internal Services, to:

1. Ensure that the Department of Children and Family Services (DCFS) immediately implements the seven recommendations contained in the A-C's DCFS' Cellular Phone Audit report (Report) dated December 21, 2010; and report back to the Board within 30 days on the DCFS' progress in implementing each recommendation;
2. Direct each Department Head to conduct an internal review of controls over their department's County cellular telephones and data cards; identify any issues similar to those noted in the Report; and report back to the CEO within 30 days with the results of those reviews;
3. Direct each Department Head to review and immediately implement, as applicable, the findings and recommendations contained in the Report;
4. Develop and implement a uniform Countywide policy for adherence by all County departments to ensure that proper controls are in place for the issuance and use of County cellular phones and data cards; and consult with the Internal Services Department (ISD) on innovations to be included in Countywide policy, such as pooling minutes or data access for all departmental users to reduce call charges;

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5. Coordinate a follow-up audit by the A-C of a sample of departments to verify that they have implemented and are complying with internal controls and policies on the issuance and use of County cellular telephones and data cards; and comprehensively report back within 12 months on the results of the follow-up audit; and
6. Direct the CEO and ISD to report back on whether 2,400 tablet devices are being utilized by DCFS staff.

On February 4, 2011, this Office provided a status report indicating items one and six had been addressed under separate cover. We also indicated that we had surveyed departments regarding the results of their departmental cellular phone audits and would return with information as to findings from the departmental audits including any weaknesses identified, and implementation plans for corrective actions.

On March 10, 2011, this Office provided a second status report indicating that we had reviewed the departmental survey results and in general, we found most departments have adequate internal controls regarding cellular phone and data card usage. Specifically, our survey found the following results from 37 departmental surveys:

- Twenty-two departments have a detailed cellular phone policy;
- Eight departments plan to implement a new policy or enhance their existing policy based on the recommendations of the DCFS audit;
- Four departments specifically follow the cellular phone policy guidelines of the County Fiscal Manual; and
- Three departments do not have County-provided cell phones.

Departments did identify several areas addressed in the A-C's audit of DCFS that to various degrees could also apply in their department, including the following:

- Inconsistent reconciliation of cell phone and data card inventories;
- Delays in cancelling lost or stolen phones;
- Inconsistent review of cell phone plans to ensure appropriate service level and add-on features;
- Inconsistent analysis of phone bills to ensure personal use was reimbursed by employees; and
- Continued payment of service fees on unused or minimally used cell phones and data cards.

While most departments have a formal policy or follow the cell phone policy section in the County Fiscal Manual, there are inconsistencies and differing departmental standards. Departments that did identify deficiencies have completed corrective action plans.

Consistent with your Board's January 4, 2011 directive, this report provides the following:

- A draft Board Policy entitled "Cell Phone and Data Card Usage," (Attachment I);
- Recommended efficiencies and best practices;
- An analysis of current countywide phone and other wireless device usage and rates;
- An analysis of establishing a stipend program;
- Additional audits upon implementation of new Board Policy; and
- A review of City of Los Angeles' cell phone audit report and recommendations;

#### Cell Phone and Data Card Usage Policy

The purpose of this recommended Policy is to provide uniform rules across all County departments regarding the acquisition and usage of County cellular telephones and other wireless data devices. The Policy will address who may have a County cellular telephone or other wireless data device, when it may be used, management responsibilities to monitor and check usage and cost, and reimbursement for personal use. This proposed policy will be submitted to the Audit Committee and thereafter to your Board for consideration.

#### Efficiencies and Best Practices

Currently, County departments procure their cell telephones and wireless data devices through wireless communications agreements established by ISD through a competitive bid process. These agreements provide for discounts from 22 to 25 percent off the plan pricing offered by the Verizon, Sprint-Nextel, or AT&T Wireless.

In response to the Board Order, ISD enlisted Gartner Consulting, and engaged the three cell phone agreement carriers to review the existing County agreement structures and usage information, as compared to other government agencies, and recommend efficiencies and cost savings.

Gartner reported that the County's discount structure was equal to, or greater than, the industry benchmark for government pricing. However, the review process identified areas where the County could achieve additional efficiencies including:

- Establishing or Rightsizing of Shared/Pooled-Minute Plans. Although some departments have consolidated usage through the use of shared/pooled-minute plans, a review of countywide usage indicated that not all departments have taken advantage of this offering. Additionally, for those departments using shared/pooled minutes, usage must be analyzed to determine the appropriate number of minutes for each department's plan. If departments underutilize plan minutes, then they overpay for the plan. Similarly, if a department is using more than the plan minutes, they are charged additional fees.
- Canceling Underused Cell Lines. Between the three agreement carriers, a number of cell telephone lines were reported to have little or no activity over the past 12 months. However, the County has continued to incur the associated monthly plan costs.
- Reducing the Number of Cell Plans under the County Agreements. By reducing the number of plans, efficiencies can be achieved in the administration and monitoring of phones and bills. Restricting departmental selection to less expensive plans also results in cost savings.
- Removing Text Messaging from County Plans. Although the County receives a 22 percent discount on unlimited text messaging under its plans, this feature still costs the County a minimum of \$9.36 per month for each cellular telephone that is covered under the plan.
- Migrating Various County Cellular Plan Users to Other Existing Government Contracts. Each of the three agreement carriers identified comparative plans for specific County user groups that they have under existing agreements with the Federal General Services Administration (GSA), or the Western States Contract Alliance (WSCA), where the pricing is favorable.

ISD is currently quantifying the potential savings by implementing the above efficiencies. Once completed, ISD will work with each department and the agreement carriers to implement.

#### Countywide Cell Phone and Other Mobile Wireless Data Device Usage

Based on the survey conducted in January 2011, the County has a total of 17,251 County-provided cell phones and 11,602 other mobile wireless data devices. The countywide monthly expenditure for cell phone devices is \$871,153, with an

average monthly fee of \$27.74 for voice only plans and \$62.04 for voice and data plans. The County spends \$148,870 monthly for other mobile wireless data devices (such as pagers, mobile hot spots, air cards, etc.) which amounts to \$12.83 per data device.

Because the operations and sizes of County departments vary significantly, establishing an arbitrary number or percentage of County cell phones per department would not make sense in all cases. We believe most departments should be able to reduce their cell phone expenditures by at least 10 percent through a combination of reducing/changing service plans and/or eliminating units.

#### Stipend Program

Another option available to reduce costs for cellular service would be to initiate a stipend program. This would require a new County ordinance and we are currently exploring the options for such a program. We will report the parameters and options of this type of program to your Board at a later date.

#### Additional Audits and Policy Compliance

Six months after the approval and implementation of the proposed new policy, the A-C will begin conducting follow-up audits of a sample of departments to verify that they have implemented and are complying with the new policy and exercising appropriate internal controls on the issuance and use of County cellular telephones and other wireless data devices. The A-C would then comprehensively report back within 12 months on the results of the follow-up audit.

#### Review of City of Los Angeles' Cell Phone Usage Audit Report and Recommendations

The City of Los Angeles (City) Controller's Office issued a report titled "Audit of Citywide Cell Phone Usage" on May 11, 2011. Some of the key deficiencies identified were:

- City departments did not maintain accurate count of cell phones, and some did not have sufficient justification documented;
- City departments' cell phone plans were not optimized; and
- City departments did not actively monitor usage, leading to poor plan selection, zero usage units, and unnecessary extra charges for such items as directory assistance, call forwarding, international calls, and excessive text messaging.

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Accordingly, the City Controller made numerous recommendations that are summarized below:

- Establish specific criteria for issuing cell phones with documented justification;
- Develop uniform policies that are applicable to all departments;
- Evaluate cell phone assignments on a regular basis and establish procedures to deactivate cell phone upon employee departure;
- Actively monitor zero usage phones and select most cost effective plans;
- Utilize online tools provided by carriers to compare plans and minimize costs; and
- Consider issuing stipends rather than cell phones.

Most of the City Controller's recommendations are already largely contained in the County's Fiscal Manual, are addressed in the proposed Policy, under review by ISD, or under development. Please let me know if you have any questions, or your staff may contact Martin Zimmerman at 213.974.1326 or [mzimmerman@ceo.lacounty.gov](mailto:mzimmerman@ceo.lacounty.gov).

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FC:JH:ib

Attachment

c:     Executive Office, Board of Supervisors  
       Auditor-Controller  
       County Counsel  
       Chief Information Office  
       Internal Services Department





*Los Angeles County*  
**BOARD OF SUPERVISORS POLICY MANUAL**

**ATTACHMENT**

Policy #:	Title:	Effective Date:
<b>0.000</b>	<b>County Cellular Telephone and Data Card Policy</b>	<b>00/00/00</b>

**PURPOSE**

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The purpose of this policy is to provide uniform rules across all County departments, regarding the acquisition and usage of County cellular telephones and other wireless data devices. The Policy addresses who may be issued a County cellular telephone or other wireless data device, when it may be used, management responsibilities to monitor and check usage and cost, and reimbursement for personal use. This policy applies to both handheld portable and vehicle-installed units.

**REFERENCE**

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January 4, 2011 Board Order 3

January 6, 2011 Chief Executive Office Memo "Cell Phone and Data Card Use"

February 4, 2011 Chief Executive Office Memo "Cellular Phone Usage – Status Report"

County Fiscal Manual Section 4.7.0

**POLICY**

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Cellular telephones and other wireless data devices (such as pagers, mobile hot spots, air cards, etc.) issued and paid for by the County must be assigned based on operational need and not employee level. The department head or designee must limit assignment of such devices to circumstances in which the employee's use of a non-cellular phone or other form of communication is inadequate to meet departmental needs. Examples of such circumstances include a frequent urgent need to contact the employee, a finding that employees can more efficiently and productively complete their duties with use of a cell phone or other wireless data device, or when an employee's personal safety may be at risk. Use of cellular telephones and other wireless data devices is to be minimized, and conventional communication means are to be used when practical. Department management must follow the internal controls required by this policy to monitor and regulate usage and cost associated with cellular telephones and other wireless data devices. Personal use by employees of County-owned devices may require reimbursement to the County.

**Applicability**

This policy applies to users of County-provided cellular telephones and other wireless data devices.

**Definition(s)**

Cellular telephones are defined as any hand-held, portable, or vehicle-mounted, two-way communication device in which there is a per-minute, per message, and/or a monthly service charge for usage.

Other wireless data devices are defined as any portable data device (i.e. data card, air card, mobile hot spot) in a laptop computer or free standing that provides two-way data communication in which there is a per-minute and/or a monthly service charge for usage.

**Internal Controls**

The requirements for departmental internal controls over the use of cellular telephones and other wireless data devices are as follows:

**Selection and Approval**

- Cellular telephone and other wireless data device costs are to be monitored and controlled as part of each department's operating budget.
- Cellular telephones and other wireless data devices and services are to be acquired at rates available through County master agreements negotiated by the Internal Services Department.
- Departments must choose the most cost-effective pricing plan for the department and the employee. All unnecessary features (such as international calling, and downloads of recreational programs) must be disabled to prevent accidental charges.
- Cellular telephone and other wireless data device assignments are to be individually justified and approved by an appropriate level of departmental management.
- Multiple user, pool telephones or other wireless data devices must be controlled by a specific individual assigned responsibility for controlling the use of each device, through a) logging usage by each individual with access to the device and/or b) utilization of electronic coding of user and usage such as in "Call Accounting" programs, when available from the service provider.

**Monitoring and Reporting**

- Department management must, at least annually, reevaluate individual County cellular telephone assignments to ensure continued need. This evaluation must

also include a review of the individual employee's pricing plan to ensure the most cost-effective plan continues to be used. For example, the department should not pay for a plan that offers 2000 anytime minutes a month if the employee does not use more than 500 minutes a month on County business, and vice versa.

- A detailed departmental cellular telephone and other wireless data device inventory must be maintained at all times for each device which includes at a minimum: identification code (e.g. serial number), state of activation, service provider, account number, user assignment, user identification number, and assignment location.
- Copies of bills showing charges for each individual device must be distributed through immediate supervisors to users within one week of receipt.
- Individual users must check and verify that the charges are correct and identify any personal use. Employees must reimburse the County for the cost of all reimbursable personal use, if required, within 30 days of bill receipt.
- Departments must ensure bills are checked by users. Management must review verified bills to ensure that usage was appropriate and the cost of personal use is being reimbursed, if required. The appropriate level of management must review all bills over a normal usage amount as determined by the department head.
- Inappropriate use patterns that may indicate misuse of the device by unauthorized individuals ("cloning" or stolen numbers) must be immediately reported by the department to the service provider.
- Security measures available through service providers must be considered as a means of additional protection. For example, electronic coding of the device to prevent use unless a personal identification number (PIN) or password is entered by the user.
- Departments must establish internal controls consistent with this Policy to ensure that departmental/County policies for use of cellular telephones and other wireless data devices are followed.

Departments may maintain a reasonable number of unassigned activated cellular telephones and other wireless data devices for use only in emergencies with responsible person(s) assigned and appropriate security controls in place to prevent misuse.

### **Reimbursement Policy**

Reimbursement requirements by employees for personal use of cellular telephones and other wireless data devices are as follows:

- Flat Rate Plans - Flat rate plans charge a specified per-minute rate for all calls made from a cellular telephone. Per minute charges begin with the first minute

used. Employees will reimburse the County for each personal call at the per-minute rate specified in the cellular service agreement.

- Anytime Minutes Plans - Anytime Minutes Plans provide cellular telephone users with a specified number of minutes for a fixed monthly fee. The cellular service provider bills each minute used above the specific number of minutes in the Plan at a predetermined, per-minute rate. Under this Plan, employees are required to reimburse the County for personal calls only if the employee used more than the specified number of minutes in the Plan. If the employee used more than the specified number of minutes in the Plan, the employee must reimburse the County for the lesser of 1) all personal calls or 2) all additional minutes at the plan overage rate.
- Shared/Pooled Plans – For departments using shared/pooled minute plans, usage must be routinely analyzed to determine the appropriate number of minutes for each department's plan. If departments underutilize or exceed plan minutes, then they overpay for the plan. The nature of these plans makes it difficult to establish equitable reimbursement guidelines for excess usage. As such, departments must ensure they actively monitor individual usage under these plans.
- Data Plans - Data plans provide users with a specified amount of data for a fixed monthly fee. The data service provider bills usage above the specific amount of data in the Plan at a predetermined, per-byte rate. Under this Plan, employees are required to reimburse the County for personal use only if the employee used more than the specified amount of data in the Plan. If the employee used more than the specified amount in the Plan, the employee must reimburse the County for the lesser of 1) all personal use or 2) all additional data.

**Note:** If a Plan includes roaming charges, they are generally in addition to the base rate. Departments must ensure that all roaming charges related to a user's personal use are identified and reimbursed by the employee.

#### **RESPONSIBLE DEPARTMENT**

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Chief Executive Office

Auditor-Controller

Internal Services Department

#### **DATE ISSUED/SUNSET DATE**

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**Issue Date: March XX, XXXX**

**Sunset Date: March XX, XXXX**



JOHN NAIMO  
AUDITOR-CONTROLLER

## COUNTY OF LOS ANGELES DEPARTMENT OF AUDITOR-CONTROLLER

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012-3873  
PHONE: (213) 974-8301 FAX: (213) 626-5427

February 3, 2015

TO: Supervisor Michael D. Antonovich, Mayor  
Supervisor Hilda L. Solis  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Don Knabe

FROM:

John Naimo  
Auditor-Controller

A handwritten signature in cursive script that reads "John Naimo".

SUBJECT: **PROBATION DEPARTMENT - CELLULAR TELEPHONES AND OTHER  
WIRELESS DATA DEVICES REVIEW**

On January 4, 2011, your Board instructed the Auditor-Controller (A-C) to conduct audits of a sample of departments to determine if they are complying with County cellular telephone (cell phone) policies and procedures, and to report back within 12 months on the results of those audits. Subsequently, in the Chief Executive Office's (CEO) June 1, 2011 County Cell Phone Usage - Status Report No. 3, the Board was informed that these audits would begin six months after the approval and implementation of the proposed new County Cellular Telephone and Other Wireless Data Devices Usage Policy (Board Policy 3.160). Your Board approved this policy on October 2, 2012.

We reviewed the Probation Department's (Probation or Department) compliance with the County Fiscal Manual (CFM) and Board Policy 3.160. Our review included interviews with Probation management and staff; a review of Department inventory and service provider (i.e., Verizon Wireless) records; an evaluation of internal controls over wireless devices; and a review of the employee reimbursement process for personal use of a County cell phone.

### **Summary of Findings**

Our review disclosed significant weaknesses in Probation's controls over its wireless devices (i.e., cell phones, broadband cards, hot spots, and iPads). These weaknesses have resulted in the Department paying at least \$262,000 in potentially unnecessary

and inappropriate charges during our review periods. The following are examples of areas for improvement:

- **Probation needs to maintain accurate inventory records of wireless devices.** Probation's inventory records did not include 222 wireless devices (169 cell phones and 53 other wireless data devices) that were listed in Verizon Wireless' records, and 83 former Probation employees were listed as assigned users in Probation's inventory records. In addition, the Department's inventory records did not include the minimum fields (e.g., service provider, plan type, account number, etc.) required by the CFM.

*Probation's attached response indicates that they deactivated 168 of the 222 lines, and the remaining 54 lines were assigned and included in the Department's inventory records. In addition, the Department implemented a new procedure to timely notify the unit in charge of wireless devices of employee status changes (e.g., retired, terminated, etc.). The Department is also in the process of updating its inventory records to include all required fields.*

- **Probation needs to maintain documentation to support that device assignments are approved by an appropriate level of management and justified based on operational need.** Probation did not have documentation to support that device assignments were approved and/or properly justified for 24 (36%) of the 67 devices reviewed.

*Probation's attached response indicates that they obtained all missing approvals/justifications. In addition, the Department will ensure new device assignment requests are approved by an appropriate level of management and justified based on operational need, and documentation is maintained.*

- **Probation needs to reduce costs by monitoring monthly wireless device bills, deactivating unnecessary devices, and ordering devices only when needed.** Probation paid monthly service fees for 2,354 wireless devices, including approximately \$171,000 for 449 (19%) wireless devices that were not used during the nine-month period reviewed, and \$85,000 for 332 (14%) wireless devices that were not used for a significant part of the review period (i.e., for periods between five and eight months), due to intermittent usage. Some of these charges may be due to the new (activated) wireless devices that were in the stockroom. We sampled ten of the new stockroom devices and noted that they were in the stockroom for an average of ten months.

*Probation's attached response indicates that they are now reviewing quarterly usage reports to identify wireless devices with no usage, and requesting Executive Management approval for the proposed deactivations. In addition, the Department began monitoring stockroom inventory on a monthly basis,*

*deactivating newly ordered devices that have not been picked up within 30 days, and ensuring devices are ordered on an as needed basis. The Department will request additional staff to monitor device usage, including identifying lines with minimum usage.*

- **Probation needs to review all wireless device bills for additional charges monthly.** For example, we noted that for two cell phones, Probation did not identify approximately \$4,650 in roaming charges for calls made within India during our review period.

*Probation's attached response indicates that they obtained temporary staff to review all wireless device bills for additional charges and distribute bills with additional charges to employees. The Department will request additional staff to continue to conduct the reviews and ensure all additional charges are resolved.*

Details of these and other findings and recommendations are included as Attachment I.

#### **Review of Report**

We discussed our report with Probation management. The Department's attached response (Attachment II) indicates general agreement with our findings and recommendations, and that they have implemented many of the recommendations in our report.

We thank Probation management and staff for their cooperation and assistance during our review. If you have any questions, please contact me, or your staff may contact Robert Smythe at (213) 253-0100.

JN:AB:RS:TK

Attachments

c: Sachi A. Hamai, Interim Chief Executive Officer  
Jerry E. Powers, Chief Probation Officer  
Department Heads  
Audit Committee  
Public Information Office

**PROBATION DEPARTMENT  
CELLULAR TELEPHONES AND OTHER WIRELESS DATA DEVICES REVIEW**

**Background**

The Probation Department's (Probation or Department) Communication Services Office is responsible for issuing wireless devices (i.e., cellular telephones (cell phone), broadband cards, hot spots, and iPads), maintaining inventory, monitoring usage, and requesting reimbursement for cell phone overages and additional charges (e.g., texting, directory assistance, etc.). Probation had approximately 2,400 active wireless devices, and spent \$1.7 million during Fiscal Year 2012-13 on wireless services.

**Scope**

We reviewed Probation's compliance with the County Fiscal Manual (CFM) and the Board of Supervisors' (Board) County Cellular Telephone and Other Wireless Data Devices Usage Policy (Board Policy 3.160). Our review included interviews with Probation management and staff; a review of Department inventory and service provider (i.e., Verizon Wireless) records; an evaluation of internal controls over wireless devices; and a review of the employee reimbursement process for personal use of a County cell phone.

**COMMENTS AND RECOMMENDATIONS**

**Inventory**

Probation uses a barcode system and a manual inventory list to account for wireless devices. The manual inventory list only accounts for assigned wireless devices, while the barcode system accounts for assigned and unassigned (i.e., stockroom) devices.

**Inventory Accuracy**

Probation does not maintain accurate inventory records of wireless devices, as required by CFM Section 4.7.2.2. We noted the Department's inventory records did not include 222 wireless devices (169 cell phones and 53 other wireless data devices) that were in Verizon Wireless' records, and the devices incurred approximately \$87,000 in service fees from October 2012 through June 2013. Sixty-three (28%) of the 222 devices had usage. In addition, we noted that the Department's records had wireless devices assigned to 83 former Probation employees. Eight (10%) of the former employees were still listed as assigned users in Verizon Wireless' records, and one (13%) of the eight employees' cell phone had usage for three weeks after the employee's termination date. The Department indicated that the employee did not return the cell phone until three weeks after the employee's termination date.

We also noted that information (e.g., user name, phone number, location, etc.) for some devices on both the barcode system and the manual inventory list did not always agree,



and the Department's records did not include the minimum fields (e.g., service provider, plan type, account number, etc.) required by CFM Section 4.7.2.2.

Probation needs to immediately reconcile Verizon Wireless' and the Department's records, make necessary updates (e.g., include all devices, remove terminated employees, etc.), and maintain one complete, accurate inventory (i.e., the barcode system or the manual inventory list) of its wireless devices. In addition, the Department should ensure its inventory includes all required fields. Probation should also update Verizon Wireless' and the Department's records timely, and continue to periodically reconcile the Department's and Verizon Wireless' records to ensure the records are complete/accurate.

### **Recommendations**

#### **Probation Department management:**

- 1. Immediately reconcile Verizon Wireless' and the Department's wireless device records and make necessary updates (e.g., include all devices, remove terminated employees, etc.).**
- 2. Maintain one complete, accurate inventory (i.e., the barcode system or the manual inventory list) of its wireless devices.**
- 3. Ensure the wireless device inventory includes all required fields.**
- 4. Update Verizon Wireless' and the Department's records timely, and continue to periodically reconcile the Department's and Verizon Wireless' records to ensure the records are complete/accurate.**

### **Excessive Inventory**

CFM Section 4.7.2.2 states that departments may maintain a reasonable number of unassigned activated cell phones for use in emergencies with appropriate security controls to prevent misuse. In addition, CFM Section 5.2.3 requires that inventory items should only be ordered when needed with proper authorization. We noted that Probation had excessive, unassigned wireless devices on-hand. Specifically, in November 2013, Probation had approximately 570 wireless devices in the stockroom, including 245 salvaged items. Of the remaining 325 devices, 300 were new and still in boxes, and 25 were previously used devices available to be re-issued.

The Department indicated that the significant number of salvaged items was due to an upgrade of several employees' broadband cards to receive a lower monthly plan rate. The Department plans to send the devices to the Internal Services Department for salvage.

We reviewed ten (3%) of the 300 new devices, with a total cost of approximately \$450, to determine how long the devices were in the stockroom and if the Department incurred service charges for these devices. We noted that the ten devices were in the stockroom for an average of ten months, and incurred service fees totaling approximately \$4,400 from the purchase dates to November 2013. It is likely that the Department incurred similar charges for the remaining devices. The Department should limit activated unassigned wireless devices to a reasonable number for emergencies, deactivate the remaining devices to avoid unnecessary costs, and order devices only when needed. In addition, the Department should ensure that obsolete devices are salvaged timely.

### **Recommendations**

#### **Probation Department management:**

- 5. Limit activated unassigned wireless devices to a reasonable number for emergencies, and deactivate the remaining devices to avoid unnecessary costs.**
- 6. Ensure wireless devices are ordered only when needed.**
- 7. Ensure obsolete devices are salvaged timely.**

### **Monitoring**

Departments need to monitor wireless devices to ensure device assignments are justified based on operational need, usage is appropriate, costs are minimized, and reimbursements for personal usage are made.

### **Device Assignments and Annual Reevaluations**

CFM Section 4.7.1 requires wireless device assignments be based on operational need and not employee level. In addition, CFM Section 4.7.2.1 requires assignments to be individually justified and approved by the appropriate level of management. We reviewed 67 wireless device assignments and noted that Probation did not have justifications for the operational need and/or approvals for 24 (36%) devices. For example, one employee's cell phone assignment was self-approved and justified.

CFM Section 4.7.2.2 requires departments to, at least annually, reevaluate individual wireless device assignments to certify continued need and review the employee's pricing plan to ensure the most cost-effective plan continues to be used. We noted that Probation has never performed this reevaluation.

Probation should ensure that wireless device assignments are approved by an appropriate level of management and justified based on operational need, and documentation supporting approvals/justifications is maintained. In addition, the

Department should reevaluate individual wireless device assignments at least annually to certify continued need, and review the employee's pricing plan to ensure the most cost-effective plan continues to be used.

**Recommendations**

**Probation Department management:**

- 8. Ensure that wireless device assignments are approved by an appropriate level of management and justified based on operational need, and documentation supporting approvals/justifications is maintained.**
- 9. Reevaluate individual wireless device assignments at least annually to certify continued need, and review the employee's pricing plan to ensure that the most cost-effective plan continues to be used.**

**Device Usage and Costs**

CFM Section 4.7.1 requires departments to control device usage and costs through monthly bill reviews. However, we noted that Probation did not review wireless device bills to control device usage and costs (e.g., no usage, minimal usage, etc.).

We reviewed Probation's Verizon Wireless device bills from October 2012 through June 2013, which included 2,354 devices (1,405 cell phones and 949 other wireless data devices) totaling approximately \$1.0 million. We noted that Probation paid service fees totaling approximately \$171,000 for 449 (19%) of the 2,354 wireless devices that were not used during the nine-month period reviewed, and \$85,000 for 332 (14%) wireless devices that were not used for a significant part of the review period (i.e., for periods between five and eight months), due to intermittent usage. Some of these charges may be due to the new (activated) wireless devices in the stockroom, discussed previously. For the 1,405 cell phones, we also noted the following:

- 168 (12%) cell phones had minimal usage, but the Department incurred service fees totaling approximately \$63,000 during the review period. We defined minimal usage as averaging less than 80 minutes and 1,000 kilobytes of data per month. The 1,000 kilobytes of data usage equates to viewing 20 e-mails without attachments, one e-mail with an attachment, and one website per month.
- 383 (27%) cell phones incurred more than their individual allotted 450 voice minutes per month. However, because the Department's cell phone minutes are pooled, the Department did not incur overage charges. If the Department cancels the devices with no usage and/or minimal usage, the amount of pooled minutes will decrease significantly, and Probation may incur overage charges if employees continue to exceed their allotted voice minutes per month.

Probation also paid for global data and navigation service features, totaling approximately \$2,700, on 22 cell phones. We interviewed ten employees who had either the global data or navigation service feature, and six (60%) indicated that they did not use the features. However, the Department paid approximately \$980 during our review period for the six employees to have these features. Four (67%) of the six employees were not aware that they had the additional feature on their cell phone.

The Department should deactivate unused wireless devices and review the wireless devices with minimal usage to determine if they should be deactivated. The Department should also monitor the devices that exceed the monthly voice minute allowances to determine if the usage is appropriate, and increase voice minute allowances, if needed. In addition, the Department should review wireless device bills monthly to identify and deactivate unused devices and unnecessary features.

### **Recommendations**

#### **Probation Department management:**

- 10. Deactivate unused wireless devices and review wireless devices with minimal usage to determine if they should be deactivated.**
- 11. Monitor the wireless devices that exceed the monthly voice minute allowances to determine if the usage is appropriate, and increase voice minute allowances, if needed.**
- 12. Review wireless device bills monthly to identify and deactivate unused devices and unnecessary features.**

### **Additional Charges**

If wireless device bills exceed plan rates, CFM Section 4.7.2.2 requires Department administrative staff to distribute bills to employees within one month of bill receipt. Employees are required to review the bills to verify that the charges are correct, and identify any personal usage/calls. If the overage (e.g., minute overage) and/or additional charges (e.g., texting, directory assistance, etc.) are due to personal usage/calls, employees must reimburse the Department for the costs that exceed plan rates within 30 days of receiving the bill. Department management is required to review the bills after they have been verified by employees to ensure usage is appropriate and any personal usage/calls in excess of plan rates are reimbursed.

Probation does not ensure that employees reimburse the Department for personal usage. From October 2012 through September 2013, the Department did not incur any overage charges because the Department's cell phone minutes are pooled, but did incur additional charges for text messaging, roaming, directory assistance, and long distance, totaling approximately \$6,800. We judgmentally selected a cell phone bill for 12 wireless device lines that incurred additional charges and noted the following:

- For one (8%) bill, Probation incurred approximately \$1,600 in roaming charges for calls made within India, and administrative staff did not identify these charges during their monthly bill review. We reviewed this line's activity for our review period, and noted a total of approximately \$4,200 in roaming charges for calls made within India. We noted an additional line with roaming charges within India totaling approximately \$450 for the same period. Both lines were canceled after we notified the Department of the activity.
- For six (50%) bills, the employees did not reimburse the County or provide documentation to the Department noting whether the additional charges were County related. Of the six bills, one included approximately \$65 in application subscriptions and directory assistance (411 service), or a total of approximately \$600 in similar charges during the review period. The remaining five bills included additional charges totaling approximately \$200.
- For two (17%) bills, the employees did not reimburse the County for personal usage timely. For example, one of the employees paid nine months after bill receipt.
- For seven (58%) bills, the Department could not provide documentation to support that the employees and/or management reviewed the bills.
- For four (33%) bills, the Department's administrative staff did not distribute the bills or maintain documentation to support that the bills were distributed to the employees within one month of bill receipt.

The Department should ensure that administrative staff review wireless device bills for overage/additional charges monthly, distribute bills to employees within one month of bill receipt, and maintain documentation to support that bills were distributed to employees. In addition, the Department should ensure employees review the overage/additional charges to verify that the charges are correct and identify any personal usage/calls. If the overage/additional charges are due to personal usage/calls, employees must reimburse the Department within 30 days for the costs that exceed plan rates, or notify administrative staff that the usage/calls are County related. In addition, management should review the bills after they have been verified by employees to ensure usage is appropriate and personal usage/call costs in excess of plan rates are reimbursed. The Department should also consider blocking services (e.g., international roaming, application downloads, etc.) that result in additional charges.

### **Recommendations**

#### **Probation Department management:**

- 13. Ensure administrative staff review wireless device bills for overage/additional charges monthly, distribute bills to employees**

within one month of bill receipt, and maintain documentation to support that bills were distributed to employees.

14. Ensure employees review wireless device bills with overage/additional charges to verify the charges are correct, identify and reimburse the Department within 30 days of receiving the bill for personal usage/calls that exceed plan rates, or notify administrative staff that the usage/calls are County related.
15. Ensure wireless device bills are reviewed by management after they have been verified by employees to ensure usage is appropriate and personal usage/call costs in excess of plan rates are reimbursed.
16. Consider blocking services (e.g., international roaming, application downloads, etc.) that result in additional charges.

#### **Internal Control Certification Program**

The Auditor-Controller developed the Internal Control Certification Program (ICCP) to assist County departments in evaluating and improving internal controls over fiscal operations. Departments must review and evaluate controls in key fiscal areas and certify that proper controls are in place or note that action is being taken to correct any deficiencies or weaknesses noted.

Many of the issues we noted in Probation's wireless device operations should have been identified when Probation completed their ICCP. However, it appears Probation did not include wireless device operations when completing their ICCP.

#### **Recommendation**

17. Probation Department management ensure wireless device operations are included when completing their Internal Control Certification Program.



**COUNTY OF LOS ANGELES  
PROBATION DEPARTMENT**

8150 EAST IMPERIAL HIGHWAY – DOWNEY, CALIFORNIA 90242


(562) 940-2501



**JERRY E. POWERS**  
Chief Probation Officer

January 21, 2015

TO: John Naimo  
Auditor-Controller

FROM: Jerry E. Powers   
Chief Probation Officer

SUBJECT: **CELLULAR TELEPHONES AND OTHER WIRELESS DEVICES  
REVIEW**

This memo is in response to the audit conducted by your office which identifies 17 deficiencies within the Probation Department's Communications Unit. Based on the recommendations provided by your staff, we have taken corrective action to address each of the findings. Thus far, 11 deficiencies have been corrected and we are currently in the process of implementing corrective action for the six remaining deficiencies. We anticipate completion of the remaining deficiencies by June 2015 and will provide a response to Auditor-Controller once we are in compliance.

Please find attached, the Probation Department's audit response to the Auditor-Controller's review. In addition, we will continue to properly monitor and review cellular device inventory, communication databases and monthly billing statements so that we are compliant with the County Fiscal Manual.

Should you have any questions or require additional information, please contact Tanya Fields, at (562) 940-2825 or via email at [tanya.fields@probation.lacounty.gov](mailto:tanya.fields@probation.lacounty.gov).

JEP:KV:tf

Attachment

## AUDIT RESPONSE

### PROBATION DEPARTMENT CELLULAR TELEPHONES AND OTHER WIRELESS DATA DEVICES REVIEW

#### INVENTORY ACCURACY

1. Immediately reconcile Verizon Wireless' and the Department's wireless device records and make necessary updates (e.g., include all devices, remove terminated employees, etc.).

We agree and have taken corrective action. In July 2014, the Department conducted an internal review of wireless devices along with Verizon's database and the noted discrepancies were addressed. For example, as a result of the July 2014 review, in October 2014, 168 lines were deactivated and the remaining 54 lines were assigned and included in the Department's BarScan records.

Regarding terminated employees, Probation has implemented a new procedure where Human Resources notifies the Communication's Unit Supervisor by email when an employee's status changes (e.g., retired, transferred, terminated, etc.) to update BarScan and deactivate all equipment assigned to the employee.

In addition, in October 2014, the Department implemented quarterly reviews of the records (i.e., Verizon and Department) to ensure the records are updated and in compliance with the County Fiscal Manual. The Department has requested additional staff to assist with the quarterly reviews: perform the annual reevaluations for continued need and pricing plan cost-effectiveness; monitor device usage and costs; and review billing statements.

2. Maintain one complete, accurate Inventory (i.e., the barcode system or the manual Inventory list) of its wireless devices.

We agree and are now in compliance. In January 2014, the Department began utilizing one inventory tracking system (BarScan) to record and update all wireless devices.

3. Ensure the wireless device inventory includes all required fields.

We agree and have taken corrective action. Effective July 2014, the Department began actively updating all records to correct the missing fields in Barscan and we anticipate its completion in March 2015. The quarterly reviews will ensure records are accurate and in compliance with County Fiscal Manual requirements.



4. Update Verizon Wireless' and the Department's records timely, and continue to periodically reconcile the Department's and Verizon Wireless' records to ensure the records are complete/accurate.

We agree and have taken corrective action. Please see Responses # 1 and # 3.

**EXCESSIVE INVENTORY**

5. Limit activated unassigned wireless devices to a reasonable number for emergencies, and deactivate the remaining devices to avoid unnecessary cost.

We agree and have implemented corrective action. The Department has 11 (not activated) of the 300 devices in the stockroom, and the Department has re-issued the 25 surplus devices in lieu of purchasing new devices for staff to replace their broken wireless equipment.

In January 2014, the Probation Department began monitoring stockroom inventory on a monthly basis to ensure there is a maximum of 20 activated wireless devices on hand for emergencies. As requests for devices are processed, the requesting Manager receives notification indicating the wireless device is available for pick-up. If the wireless device is not picked-up within 30 days of notification, the Communication's Unit deactivates the wireless device to avoid incurring additional costs.

6. Ensure wireless devices are ordered only when needed.

We agree and are now in compliance. The Department does not ordinarily keep excessive stock on hand. All wireless devices are typically ordered on an as needed basis. The 300 devices were ordered for the AB 109 Unit with Grant Funding. The Department anticipated hiring hundreds of new employees; however, this was not the case. Many of the new applicants did not pass background; thus, the devices remained in stock until they were assigned to staff.

As of January 2014, the Probation Department began ensuring devices are ordered on an as needed basis. Each request is reviewed to ensure the Communication's Unit receives the required documentation, specific Justification, and two management approvals prior to purchasing a device. As mentioned above, the Communication's Unit has issued 289 of the 300 devices and the 25 surplus devices as replacements for broken wireless equipment in lieu of making new purchases.

7. Ensure obsolete devices are salvaged timely.

We agree and have implemented corrective action. On September 1, 2014, the Communication's Unit deactivated equipment and transferred all salvaged items to the Asset Management Unit for proper disposal. As of October 2014, all salvaged items

have been disposed. Moving forward, upon receipt of obsolete equipment, deactivation will occur and devices will be transferred immediately to Asset Management for proper disposal.

**DEVICE ASSIGNMENTS AND ANNUAL REEVALUATIONS**

8. Ensure that wireless device assignments are approved by an appropriate level of management and justified based on operational need, and documentation supporting approvals/justifications is maintained.

We agree and are now in compliance. In November 2013, the Department began to closely monitor the approval process as indicated in the findings. In August 2014, the Communication's Unit completed an internal audit of the wireless device documentation and obtained missing approvals/justifications. Going forward, the Communication's Unit will ensure requests are approved by an appropriate level of management and justified based on operational need, and documentation is maintained. The Department currently utilizes a 2-tier approval process (Section Head & Bureau Chief) with a final review and approval by the Director of Facilities Operations.

9. Reevaluate individual wireless device assignments at least annually to certify continued need, and review the employee's pricing plan to ensure that the most cost-effective plan continues to be used.

We agree and are implementing corrective action. As mentioned in Response # 1, the Department will request additional staff to assist with the noted findings. Each wireless device will require an annual review to certify the continued need. The Department has requested the wireless carrier provide a semi-annual Summary Usage Report. The Communications Unit will review the report and conduct a cost analysis annually to ensure the continued need for each wireless device. In addition, a pricing plan analysis will be performed to ensure employees are using the most cost-effective plan available through the wireless carriers.

**DEVICE USAGE AND COSTS**

10. Deactivate unused wireless devices and review wireless devices with minimal usage to determine if they should be deactivated.

We agree and have taken corrective action. Effective, April 2014, the Department requested wireless carriers to provide quarterly Zero Usage Reports. The wireless carrier provided the Department a quarterly Zero Usage Report for the three previous quarters from April 2014. In May 2014, the Department started working on identifying these devices with zero usage and forwarded a Zero Usage Report to Executive Level Management requesting their approval to deactivate the devices noted in the report in October 2014. The Management is given 30 days to respond and after this period ends

the devices are deactivated. This process is ongoing and the Department has deactivated 117 lines. As mentioned in Response # 1 the Department will request additional staff to assist with monitoring device usage which includes identifying lines with minimum usage.

11. Monitor the wireless devices that exceed the monthly voice minute allowances to determine if the usage is appropriate, and increase voice minute allowances, if needed.

We agree. As mentioned in Response # 1, the Department will request additional staff to assist with the noted findings. Each wireless device will require periodic reviewing to identify any allowances that are exceeded.

12. Review wireless device bills monthly to identify and deactivate unused devices and unnecessary features.

We agree and are now in compliance. Effective, November 2013, the Probation Department required Executive Management's approval to add restricted features (e.g., global, navigation, etc.) to assigned wireless devices. The Department requested additional staff to assist with reviewing the monthly wireless bills to identify and deactivate unused devices and to review features.

#### **ADDITIONAL CHARGES**

13. Ensure administrative staff review wireless device bills for overage/additional charges monthly, distribute bills to employees within one month of bill receipt, and maintain documentation to support that bills were distributed to employees.

We agree and are implementing corrective action. Effective October 2014, the Probation Department obtained temporary staff to ensure wireless device bills are reviewed for overage/additional charges monthly and distributed to employees through their respective Bureau Chief. The Bureau Chief is responsible for dispersing the statements to their appropriate Director/Supervisor. Upon receipt, the Director/Supervisor is required to review the monthly billing statements with their employees to identify and verify County and non-County related charges. Supporting documentation of the monthly bills which have been distributed will be maintained. As mentioned in Response # 1, the Department will request additional staff to continue to assist with the noted findings.

14. Ensure employees review wireless device bills with overage/additional charges to verify the charges are correct, identify and reimburse the Department within 30 days of receiving the bill for personal usage/calls that exceed plan rates, or notify administrative staff that the usage/calls are County related.

We agree and have taken corrective action. In January 2014, the Department updated the Reconciliation of Monthly Billing Summaries Report for overage/additional charges for FY 2014-15 and monthly thereafter. The report includes 411, roaming, texting, and data usage charges employees incurred. The report, along with procedures for reimbursing the Department for non-business related charges is forwarded to each Bureau Chief. The reimbursement process is as follows:

- The Bureau Chief is directly responsible for forwarding the report to their respective Directors.
- The Directors are required to review the report with the individual employee and identify the charges listed.
- Each employee is responsible for contacting the Fiscal Services Cashiering Unit to remit payment for non-County related business charges within 30 days of receiving the bill.
- The Cashiering Unit forwards payment receipts to the Communication's Unit and the report is updated immediately to reflect the employee's payment.
- Each staff with business-related charges is responsible for providing a copy of the billing statement signed by the employee and their Supervisor to the Communication Unit within seven business days upon receipt.

As a result of this process, the Probation Department is currently researching methods for collecting outstanding cellular phone payments accrued by employees.

- 15. Ensure wireless device bills are reviewed by management after they have been verified by employees to ensure usage is appropriate and personal usage/call costs in excess of plan rates are reimbursed.**

We agree. Please see Responses # 13 & 14.

- 16. Consider blocking services (e.g., international roaming, application downloads, etc.) that result in additional charges.**

We agree. The Department has requested that the carrier provide an Active Features Report that lists all features currently on all wireless devices. In January 2015, the Department will request for the carrier to block all unnecessary added features to all devices.

- 17. Probation management ensures wireless device operations are included when completing their Internal Control Certification Program.**

We agree and are implementing corrective action. The Department will ensure all wireless device operations are included in the upcoming Internal Control Certification Program.